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*Attorneys for Tecumseh–Infinity Medical
 Receivable Fund, LP*

**IN THE UNITED STATES BANKRUPTCY COURT
 FOR THE DISTRICT OF NEVADA**

In re:
 INFINITY CAPITAL MANAGEMENT,
 INC.,
 Debtor.

Case No.: 21-14486-abl

Chapter 7

HASELECT-MEDICAL RECEIVABLES
 LITIGATION FINANCE FUND
 INTERNATIONAL SP,
 Plaintiff,

Adversary Case No.: 21-01167-abl

v.

TECUMSEH–INFINITY MEDICAL
 RECEIVABLES FUND, LP,
 Defendant.

**SUPPLEMENTAL DECLARATION OF
 MICHAEL BELOTZ IN SUPPORT OF
 MOTION FOR PARTIAL SUMMARY
 JUDGMENT AS TO DIRECT PURCHASE
 RECEIVABLES**

TECUMSEH–INFINITY MEDICAL
 RECEIVABLES FUND, LP,
 Counter-Claimant,

Hearing Date: October 25, 2022

Hearing Time: 1:30 p.m.

v.

HASELECT-MEDICAL RECEIVABLES
 LITIGATION FINANCE FUND
 INTERNATIONAL SP,
 Counter-Defendant.

HASELECT-MEDICAL RECEIVABLES
LITIGATION FINANCE FUND
INTERNATIONAL SP,

Counter-Claimant,

v.

TECUMSEH-INFINITY MEDICAL
RECEIVABLES FUND, LP,

Counter-Defendant.

I, MICHAEL BELOTZ, pursuant to 28 U.S.C. § 1746, declare as follows:

1. My name is Michael Belotz. I am over the age of twenty-one years, of sound mind, and fully competent to testify in this cause.

2. I submit this supplemental declaration in support of the Motion for Partial Summary Judgment as to Direct Purchase Receivables (the “**Motion**”) of Tecumseh–Infinity Medical Receivable Fund, LP (“**Tecumseh**”), defendant and counterclaimant in the above-captioned adversary proceeding.

3. I am a principal of Tecumseh Alternatives, LLC, the advisor to Tecumseh. In that capacity, I have personal knowledge of the facts stated herein, all of which are true and correct. If called upon to testify regarding the contents of this Declaration, I could and would do so.

4. In my role as a principal of Tecumseh, I am responsible for all aspects of Tecumseh’s investments in medical receivables. Part of my duties require that I ensure the proper accounting and reporting of funds flowing to and from Tecumseh. In order to do so, I review and manage Tecumseh's banking records, financial records, contracts, and investments.

5. As it relates to Tecumseh, I was personally involved in the business between Debtor and Tecumseh, particularly as it relates to the purchase of receivables pursuant to a sub-advisory agreement entered with the Debtor on June 18, 2020, as modified by Addendum A on or about January 5, 2021 (the “**Sub-Advisory Agreement**”).¹

¹ A true and correct copy of the Sub-Advisory Agreement is attached to Tecumseh’s Statement of Undisputed Facts in *Support of Motion for Partial Summary Judgment as to Direct Purchase Receivables* (the “**Statement of Undisputed Facts**”) as **Exhibit B**.

1 6. As part of my work coordinating with the Debtor, I had access to the Debtor's
2 internal database that stored all receivables Debtor managed on behalf of Tecumseh. I regularly
3 reviewed the database in the course of my duties. I also had extensive contact with various
4 employees of the Debtor, including Oliver Hemmers ("**Hemmers**"). I also spoke regularly,
5 multiple times per week, with FTM Investments, Inc. ("**FTM**"), Tecumseh's and with the
6 Debtor's employees about the receivables that Tecumseh owned. We also had frequent e-mail
7 exchanges. Generally, I would contact FTM before reaching out to the Debtor because
8 contractually FTM managed accounting on all Tecumseh receivables.

9 7. To pay for the receivables that it intended to purchase, Tecumseh opened a bank
10 account (whose account number ends in 8995) at Bank of America (the "**BofA Account**") in July
11 2020. This is the same account that I referred to in my earlier declaration (ECF No. 91). The
12 BofA Account and all funds in it belong to Tecumseh. The account bears the title "Tecumseh-
13 Infinity Medical Receivables Fund, LP," which is Tecumseh's legal name. That title is
14 referenced on all of the bank statements and checks issued on the account.

15 8. The Debtor suggested that we associate its trade name, Infinity Health
16 Connections, with the BofA Account. Hemmers explained that associating Debtor's trade name
17 with our account would make it easier to deposit checks from lawyers paying the receivables we
18 intended to purchase. We informed the bank that the Debtor authorized us to accept deposits in
19 the name of Infinity Health Connections into the BofA Account for the receivables that
20 Tecumseh owned.

21 9. Tecumseh opened the account with a \$350 counter deposit on July 16, 2020.
22 Following July 2020, Tecumseh made deposits into the BofA account from its bank account
23 (account number ending in 1991) at Wintrust Funds Group/Northbrook Bank & Trust (the
24 "**Northbrook Account**"). The Northbrook Account is the account that Tecumseh uses to receive
25 and hold investments from investors. The funds in the Northbrook account are almost
26 exclusively from investors. None of the funds in that account were the proceeds of any
27 receivable acquired with the assistance of the Debtor, including both the Disputed Receivables
28 and the Direct Purchase Receivables (both as defined in the Motion).

1 10. As part of the process by which Tecumseh purchased receivables and paid for
2 them using the BofA account, the Debtor informed us in advance of the general quantity of
3 receivables it had identified for Tecumseh to purchase over the next several weeks. Based on that
4 estimate, Tecumseh would deposit funds as needed to pay for the receivables. From October
5 2020 through September 2021, Tecumseh deposited an average of \$308,950 per month. For that
6 same period, we paid an average of \$290,385 to medical providers to purchase receivables.

7 11. I and people working under my supervision traced all of the deposits and
8 withdrawals in the BofA Account. Our Tracing Analysis is attached to Tecumseh's
9 Supplemental Statement of Undisputed Facts ("Supp. SOUF") as **Exhibit O**.

10 12. To determine the source of the deposits in the BofA Account, we reviewed all of
11 the account statements for that account through September 2021. Deposits by Tecumseh are
12 identified on the account statements with the following language: "ORIG:TECUMSEH
13 INFINITY MEDICAL ID:8704901991 SND BK:NORTHBROOK BANK & TRUST COMPA."
14 We determined that Tecumseh deposited \$3,707,401.26 in investor funds into the BofA account.
15 Copies of the BofA Account statements showing all withdrawals and deposits are attached to
16 Supp. SOUF as **Exhibit M**.² They are identified on the Tracing Analysis as "Tecumseh
17 Deposits."

18 13. To confirm that these deposits reflected investor funds, we reviewed the
19 Northbrook Account. I reviewed all of the statements for the Northbrook Account from June
20 2020 through September 2021. For each month in which in which Tecumseh deposited funds
21 into the BofA Account from the Northbrook Account, I confirmed that there were sufficient
22 investor deposits in the Northbrook Account to cover the deposit to the BofA Account. Copies of
23 the Northbrook Account statements are attached to Supp. SOUF as **Exhibit N**.³

24 14. We identified \$696,747.31 of deposits that relate to payments received for
25 receivables purchased by Tecumseh. To insure that we did not understate the funds related to

26 ² We redacted the account number and any patient names appearing on the statements. In addition, all of the checks
27 drawn on the BofA account were previously attached to Tecumseh's Statement of Undisputed Facts and will not be
28 resubmitted.

³ We redacted the account number and any investor names appearing on the statements.

1 payments received on receivables, we credited all deposits that we could not positively identify
2 as either a deposit by Tecumseh or a returned item or the like as a receivable deposit. These are
3 shown on the Tracing Analysis as "Receivables." Note that for August 2021, \$80,564.35 was
4 deposited but \$32,380.80 was reversed by the bank for a net of \$48,183.55. The \$32,380.80 item
5 was deposited on August 26, 2021 and charged back by the bank on August 27, 2021.

6 15. We also identified \$139,403.56 as "Other Deposits." These are a \$60 wire transfer
7 fee refund on December 14, 2020, a \$59,047.97 return of posted check 1691 on March 4, 2021, a
8 \$78,000 returned wire from Stat Diagnostics on March 24, 2021 and a \$2,295.59 returned item in
9 June 2021.

10 16. The withdrawals for payments to medical service providers to purchase
11 receivables are set out in the Reconciliation that is attached to Tecumseh's Statement of
12 Undisputed Facts as **Exhibit F**. The Reconciliation shows that Tecumseh paid \$3,185,582.35
13 directly to medical service providers from the BofA Account. Our separate review of the bank
14 statements confirms that at least that much was distributed from the BofA Account to medical
15 providers. These payments are identified as "Provider Payments" in the Tracing Analysis. The
16 monthly totals in the Reconciliation and the Tracing Analysis do not correspond because the
17 Reconciliation is based on the date checks were written and the Tracing Analysis is based on the
18 date checks cleared. In addition, the total amount in the Tracing Analysis is higher
19 (\$3,484,619.03) due to returned items such as the two items totaling \$137,047.97 in March 2021
20 discussed above and because Tecumseh bought receivables not brokered by the Debtor in
21 September 2021 following the petition date using the BofA Account.

22 17. Tecumseh also paid the Debtor's fee out of the BofA Account. It paid
23 \$723,072.79 to the Debtor in fees and expense reimbursements. The payments are identified as
24 "Infinity Fees" in the Tracing Analysis. In addition, Tecumseh distributed \$55,580.80 to the
25 Debtor in October 2020 (Check 1001, dated 9/30/2020 cleared 10/1/2020) to enable the Debtor
26 to purchase the Batch 1-G receivables, which are part of the Disputed Receivables, on
27 Tecumseh's behalf.

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18. The total Tecumseh Deposits into the BofA Account (\$3,707,401.26) exceed the amount that Tecumseh paid for the Direct Purchase Receivables (\$3,185,582.35) by more than \$521,000. The flow of funds from Tecumseh Deposits and Provider Payments shows that the Tecumseh Deposits were used to pay the Provider Payments. On October 1, 2020, the BofA account had a balance of \$56,175.06. On that day, check 1001 in the amount of \$55,580.80 for Batch 1-G of the Disputed Receivables cleared leaving a balance of less than \$1,000. On October 29, 2020, Tecumseh deposited \$200,000 and wired \$142,862.63 to medical providers South Atlanta MUA, Stat Diagnostics and Preva. The only possible source of payment for these receivables was Tecumseh's \$200,000 deposit. From then on Tecumseh Deposits exceeded Provider Payments by a wide margin. From July 2020 through September 2021, cumulative Tecumseh Deposits were higher than cumulative Provider Payments in each month as shown below.

	Cumulative Tecumseh Deposits	Cumulative Provider Payments	Difference
Jul-20	\$ 350.00	\$ -	\$ 350.00
Aug-20	\$ 350.00	\$ -	\$ 350.00
Sep-20	\$ 350.00	\$ -	\$ 350.00
Oct-20	\$ 400,350.00	\$ 143,269.01	\$ 257,080.99
Nov-20	\$ 400,350.00	\$ 271,866.95	\$ 128,483.05
Dec-20	\$ 800,350.00	\$ 529,150.63	\$ 271,199.37
Jan-21	\$ 1,300,350.00	\$ 830,245.60	\$ 470,104.40
Feb-21	\$ 1,300,350.00	\$ 1,067,187.31	\$ 233,162.69
Mar-21	\$ 1,592,653.50	\$ 1,506,191.97	\$ 86,461.53
Apr-21	\$ 1,962,785.20	\$ 1,855,632.65	\$ 107,152.55
May-21	\$ 2,447,365.18	\$ 2,214,705.14	\$ 232,660.04
Jun-21	\$ 2,860,043.95	\$ 2,767,335.39	\$ 92,708.56
Jul-21	\$ 3,191,470.48	\$ 2,979,537.16	\$ 211,933.32
Aug-21	\$ 3,417,561.32	\$ 3,204,879.42	\$ 212,681.90
Sep-21	\$ 3,707,401.26	\$ 3,484,619.03	\$ 222,782.23

19. Also, the total payments related to Receivables (\$696,747.31) was less than the amount paid to the Debtor for fees (\$723,072.79). The margin is even greater when the \$55,580.80 for the Batch 1-G receivables is included.

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1 I declare under penalty of perjury under the laws of the United States of America that the
2 foregoing is true and correct.

3 Dated this ____ day of October 2022.

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5 MICHAEL BELOTZ, *declarant*
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